

UNITED STATES DISTRICT COURT  
for the  
EASTERN DISTRICT OF WISCONSIN

USDC EDWI  
FILED IN GREEN BAY DIV

MAY 30 2013

AT \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M  
JON W. SANFILIPPO

*In the Matter of the Search of*

Case Number: 13m 634

A USPS Express Mail parcel with tracking number EI522160966US addressed to "Anita Sgarro, 401 E. Las Olas Blvd., Suite 130-516, Fort Lauderdale FL 33301" and containing the return address "Steven Noak, PO Box 72, Embarrass WI 54933"

*APPLICATION & AFFIDAVIT FOR SEARCH WARRANT*

I, Matt Schmitz, a federal law enforcement officer, request a search warrant and state under penalty of perjury that I have reason to believe that on the following person or property:

**A USPS Express Mail parcel with tracking number EI522160966US addressed to "Anita Sgarro, 401 E. Las Olas Blvd., Suite 130-516, Fort Lauderdale FL 33301" and containing the return address "Steven Noak, PO Box 72, Embarrass WI 54933"**

located in the Eastern District of Wisconsin there is now concealed: **Please see attached affidavit, which is hereby incorporated by reference.**

The basis for the search warrant under Fed. R. Crim. P. 41(c) is which is (check one or more):

- ☒ evidence of a crime;
- ☒ contraband, fruits of a crime, or other items illegally possessed;
- ☐ property designed for use, intended for use, or used in committing a crime;
- ☐ a person to be arrested or a person who is unlawfully restrained.

The search is related to a violation of:

Title 21, United States Code, Sections 841(a)(1), 843(b), and 844(a).

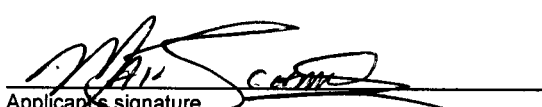
The application is based on these facts:

- ☒ Continued on the attached sheet, which is incorporated by reference.
- ☐ Delayed notice of \_\_\_\_\_ days (give exact ending date if more than 30 days: \_\_\_\_\_) is requested under 18 U.S.C. § 3103a, the basis of which is set forth on the attached sheet.

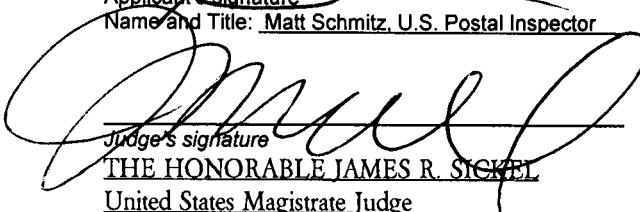
Sworn to before me, and signed in my presence.

Date 5-29, 2013

City and state: Green Bay, Wisconsin

  
Applicant's signature

Name and Title: Matt Schmitz, U.S. Postal Inspector

  
Judge's signature

THE HONORABLE JAMES R. SICHEL

United States Magistrate Judge

Name & Title of Judicial Officer

## AFFIDAVIT

Matt Schmitz, United States Postal Inspector, being duly sworn, states the following information was developed from his personal knowledge and from information furnished to him by other law enforcement agents and professional contacts:

### I. INTRODUCTION

1. I have been employed by the United States Postal Inspection Service for approximately nine years and was previously employed as a Police Officer with the City of Middleton (WI) and City of Janesville (WI) Police Departments for a total of six years. As part of my duties as a Postal Inspector, I investigate the use of the U. S. Mails to illegally send and receive controlled substances and drug trafficking instrumentalities. I have participated in investigations which have resulted in the arrest of individuals who have received and distributed controlled substances using the U.S. Mail, as well as the seizure of the illegal drugs and proceeds from the sale of those illegal drugs. My training and experience includes identifying packages with characteristics indicative of criminal activity, namely, the distribution of controlled substances.

### II. PARCEL TO BE SEARCHED

2. This affidavit is submitted in support of an application for a search warrant for a 12 inch by 10 inch by 8 inch Express Mail parcel with tracking number EI522160966US, mailed on May 28, 2013, from Shawano, WI 54166. This parcel bears addressee and return address information handwritten in black ink. The parcel is addressed to "Anita Sgarro, 401 E Las Olas Blvd., Suite 130-516, Fort Lauderdale FL 33301" and bears a return address of "Steven Noak, PO Box 72, Embarrass WI 54933." The parcel weighs approximately 8 lbs. 4 ozs. and bears \$73.05 in postage.

### III. BACKGROUND

3. As described above in paragraph 2, the subject parcel is being mailed from Shawano, WI to Los Angeles, CA and was selected for investigation because it met certain criteria common to packages containing contraband related to controlled substance trafficking. The subject parcel is believed to contain controlled substances or the proceeds from the trafficking of controlled substances based on, among other things, a positive indication

for the odor of controlled substances from a trained narcotics detection canine.

4. From my training, personal experience, and the collective experiences related to me by fellow Postal Inspectors who specialize in investigations relating to the mailing of controlled substances and the proceeds from the sale of controlled substances, I am aware that the Los Angeles, CA area is a major source for controlled substances, particularly marijuana. As such, controlled substances are frequently transported from the Los Angeles area via the United States Mail, and the proceeds from the sale of the controlled substances are frequently returned to the Los Angeles area via the United States Mail. These proceeds are generally in large amounts of money over \$100.
5. I also know based on my training and experience that drug traffickers will often use one of two USPS services: Express Mail Service, which is the USPS overnight/next day delivery mail product, and Priority Mail Service, which is the USPS two- to three-day delivery mail product. Drug traffickers use the Express Mail delivery services because of their speed, reliability, and the ability to track the article's progress to the intended delivery point. Drug traffickers use Priority Mail delivery services because it allows drug traffickers more time for travel between states if they decide to follow their shipments to their destinations for distribution. Also, by adding delivery confirmation to a Priority Mail parcel, drug traffickers have the ability to track the article's progress to the intended delivery point just as if the parcel had been mailed using the Express Mail service.
6. Postal Inspectors have been conducting investigations of drug trafficking via USPS Express Mail and Priority Mail since the mid 1980s. Along with conducting organized interdictions of parcels suspected of containing controlled substances, Postal Inspectors also regularly examine and investigate Express Mail and Priority Mail parcels throughout the year. During the 1990s, Postal Inspectors observed that the trend was for drug traffickers to send controlled substances and proceeds from the sale of controlled substances using boxes, with the proceeds in the form of cash. Although Postal Inspectors still see the use of boxes for controlled

substances and cash, there has been a gradual change over the years toward the current trend of smaller boxes, flat cardboard envelopes, and Tyvek brand mailing envelopes, with proceeds from the sale of controlled substances converted to money orders or prepaid debit/credit cards. By using money orders and prepaid debit and credit cards, drug traffickers are able to send large dollar amounts in compact form, using much smaller conveyances which lend a sense of legitimacy to the parcel.

7. Based on information derived and built upon over the years, Postal Inspectors, including your affiant, initially look for certain characteristics when examining Express Mail and Priority Mail for controlled substances or proceeds from the sale of controlled substances. These characteristics could include:
  - a. The article is contained in a box, flat cardboard mailer, or tyvek envelope;
  - b. The article bears a handwritten label;
  - c. The handwritten label on the article does not contain a business account number; and
  - d. The article originated from an area that, based on past experience is a known origination point for controlled substances and is destined for an area that, based on past experience, is a known destination point for controlled substances in the mail; or the reverse: the article originated from an area that, based on past experience, is a known origination point for proceeds from the sale of controlled substances, and is destined for an area that, based on past experience, is a known destination point for controlled substance proceeds.

Parcels found to meet these characteristics are scrutinized by Postal Inspectors through further investigation, which could include return and addressee address verifications and trained narcotic-detecting canine examination.

#### IV. INVESTIGATION

8. On May 7, 2013, I reviewed Express Mail labels from the Shawano, WI Post Office regarding Express Mail parcels that had been mailed from the Shawano, WI Post Office. During this review I found that ten (10) Express Mail parcels had been mailed between January 14, 2013, and May 6, 2013, with each parcel containing a return address of "Steve Noak, PO Box 72, Embarrass, WI 54933." I saw these parcels were addressed to two

different locations in California including "KJ 13600 Marina Point Dr. #914, Marina Del Ray, CA 90292," and "KJ #2227, c/o Price Storage, 3430 South La Brea Ave, West Los Angeles CA90016," and one location in Florida "Anita Sgarro, 500 Royal Plaza Dr, Fort Lauderdale FL 33301." On or about May 8, 2013, I reviewed Express Mail labels from the Embarrass, WI Post Office regarding Express Mail parcels that had been delivered to residents in Embarrass, WI. I found 18 Express Mail labels documenting the delivery of Express Mail parcels to "Steve Noak, PO Box 72, Embarrass, WI 54933" from several locations in California between June, 2012, and April, 2013. I saw that all of these parcels ranged in weight between approximately two (2) to seven (7) pounds, a weight that is very common to parcels containing controlled substances, specifically marijuana. I saw the return addresses listed on the parcels delivered to Steve Noak at PO Box 72 in Embarrass, WI included "Peter Bill, 11967 Crystal Wells Rd, Nevada City, CA 95959," "Justin Morgan, 3039 Deep Canyon, BH Ca 90210 (sic)," "KJ 13600 Marina Pointe Dr, #914, MDR Ca 90292," "KJ 3197 Deep Canyon Dr, BH Ca 90210," "KJ 3037 Deep Canyon Dr, B.H. Ca 90210," "KJ 3731 Deep Canyon, B.H. Ca 90210," "KJ 3131 Deep Canyon, B.H. Ca. 90210," and "KJ 3535 Deep Canyon Dr, BH Ca 90210." I know from previous investigations involving the US Mail to transport controlled substances and proceeds related to the sale of controlled substances that individuals commonly use several techniques as evidenced in the mailings documented in this paragraph:

- A. Individuals receiving the controlled substances often pay for them by sending US Currency via the US Mail from a Post Office that is not near where they live. This is true considering the sender of the currency wishes to remain anonymous by visiting a Post Office they do not use to receive mail.
- B. The person receiving the controlled substances may use a PO Box or mailing location that is not the address of their residence. On May 28, 2013, I learned from US Postal Service records that Steve Noak of PO Box 72, Embarrass, WI, was believed to be living at W8356 Rustic Dr, Clintonville, WI 54929, an address that is within the rural delivery area of the Clintonville Post Office. I know from previous investigations that individuals receiving controlled substances often receive the controlled substances at a remote or secondary location outside of their true residence as an effort to avoid detection and add additional layers of anonymity.

- C. Individuals mailing controlled substances commonly use different return addresses on parcels containing controlled substances in an attempt to remain anonymous. Further, in investigations involving multiple possible controlled substance parcels it is common for the mailer to use several different house numbers on one particular street (3039 Deep Canyon, 3197 Deep Canyon Dr, 3037 Deep Canyon, 3731 Deep Canyon, 3131 Deep Canyon, 3535 Deep Canyon) as an effort to remain anonymous and avoid detection by law enforcement.
9. I know from my experience as a Postal Inspector that it is very unusual for an individual to receive multiple Express Mail parcels on a regular basis at a residential address. In my experience the only exception to this characteristic is when the individual receiving the parcels is associated with a legitimate business. When the individual receiving the parcels is associated with a business, however, the mailings are generally addressed to or under a business name and contain return addresses and names that are not fictitious or variations of a true address. For these reasons, I have learned that individuals mailing controlled substances and proceeds related to the sale of controlled substances use different addresses and names on parcels in an attempt to bolster their anonymity and avoid suspicion by law enforcement that illicit activity is activity is occurring at a particular address.
10. On May 7, 2013, I instructed the Shawano, WI Post Office to contact me if any additional parcels containing the return address of "Steve Noak, PO Box 72, Embarrass, WI 54933" were mailed from their Post Office destined for an address in California. On May 23, 2013, I received information from the Shawano, WI Post Office that Express Mail parcel EI522155935US had been presented for mailing at the Shawano Post Office and contained the return address of "Steve Noak, P.O. Box 72, Embarrass, WI 54933." I also learned from the Shawano Post Office that the parcel was addressed to "KJ, c/o Price Storage, 3430 South La Brea Ave, West Los Angeles CA 90016" and weighed 2 pounds, 2.5 ounces. On May 28, 2013, I applied for and received a federal search warrant issued in the Eastern District of Wisconsin by U.S. Magistrate Judge James Sickel under case number 13-M-632 to search the contents of Express Mail parcel EI522155935US for

evidence of controlled substances, controlled substance paraphernalia, and/or proceeds or payment related to the sale of controlled substances. On May 28, 2013, I executed this search warrant and found Express Mail parcel EI522155935US contained \$3,100.00 in US Currency (consisting of 155-\$20.00 bills) that was concealed inside a hardcover book whose pages had been cut to accommodate the bundle of currency. I have learned through my investigative experience and training in the investigation of controlled substance trafficking that individuals using the US Mail to send US Currency for the purpose of purchasing controlled substances often mail substantial amounts of cash, commonly in excess of \$2,000, and frequently attempt to conceal the currency within the parcel. Individuals sending US Currency for purchasing controlled substances elect to mail large amounts of cash in order to avoid identifying themselves and the nature of their transaction by purchasing a money order or otherwise converting the cash into a negotiable monetary instrument.

11. On May 28, 2013, I learned from the Shawano Post Office that an individual identifying himself as Steve Noak visited the Post Office to inquire about the delivery status of Express Mail parcel EI522155935US. During this visit, Noak prepared another Express Mail piece under tracking number EI522160966US and presented it for mailing. I learned from the Shawano Post Office that the mailing was addressed to "Anita Sgarro, 401 E. Las Olas Blvd., Suite 130-516, Fort Lauderdale FL 33301" and contained the return address "Steven Noak, PO Box 72, Embarrass WI 54933." On May 29, 2013, I queried the name Anita Sgarro and address of 401 E Las Olas Blvd, Ft. Lauderdale, FL using the Accurint law enforcement database. From a query of the Accurint law enforcement database I saw that Sgarro was associated with addresses in Ft. Lauderdale, FL, Boca Raton, FL, Marina Del Rey, CA, and Clintonville, WI, between 2012 and 2013. Further, a query of the address 401 E Las Olas Blvd, Ft. Lauderdale, FL using Google internet search identified a website for "Carr Workplaces" of 401 E. Las Olas Blvd, Ft. Lauderdale, FL 33301. I learned from the Carr Workplace website that they offer "virtual offices" to clients and report that a virtual office includes services such as "prestigious address for your business, mail and package receipt, telephone answering and call transferring, professional receptionist, multi-tier communication services, Community



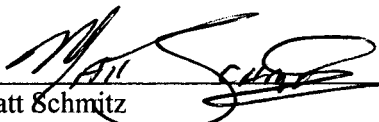
Café access, access to private day offices, workspaces, and meeting rooms, and access to Client Online Community portal. I know from previous investigations as a Postal Inspector that involved the trafficking of controlled substances via the US Mail that individuals receiving controlled substances of the proceeds related to the sale of controlled substances commonly have these items mailed to an address that is not their true residential address. Further, I also know from my training and investigative experience that individuals often use commercial mail receiving agencies (CMRA's) such as a UPS Store or FedEx store to receive mail because it affords the mail recipient additional layers of anonymity and provides a layer of insulation against law enforcement identifying the mail recipient's true home address. For these reasons, I believe the virtual office acts very similar to a CMRA in that it allows an individual to receive mail and parcels at a location that is not their home address.

12. On May 28, 2013, I contacted Wisconsin State Trooper and K-9 Officer Kevin Schneider who agreed to assist with presenting the subject Express Mail parcel EI522160966US to a dog sniff. Trooper Schneider is a trained and experienced handler of a certified drug detection dog named "Ema". Trooper Schneider explained that Ema is trained in detecting the presence of marijuana, cocaine, crack cocaine, heroin, ecstasy, and methamphetamine, and was last certified in detecting narcotics in October, 2012. Consistent with Trooper Schneider's training, experience, and direction, the subject Express Mail parcel was placed in the basement at the Shawano, WI Post Office among four other similar looking parcels that were known not to contain the odor of controlled substances. Ema examined the basement and Trooper Schneider said Ema alerted to the presence of controlled substances in the subject Express Mail parcel. Ema did not alert on any of the other boxes or other areas in the Post Office basement. I took custody of the subject Express Mail parcel and transported it to the US Postal Inspection Service office in Oneida, WI, in the Eastern District of Wisconsin where it is currently in my custody.
13. Postal Regulation Sec. 274.31 of the United States Postal Service Administrative Support Manual states that no one may detain mail sealed against inspection, except under the following condition: A Postal Inspector

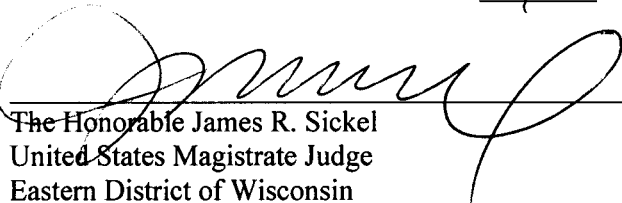


acting diligently and without avoidable delay, upon reasonable suspicion, for a brief period of time, to assemble evidence sufficient to satisfy the probable cause requirement for a search warrant issued by a Federal Court.

14. For these reasons, there is probable cause to believe that Express Mail parcel EI522160966US contains controlled substances, controlled substance paraphernalia, and/or proceeds or payment related to the sale of controlled substances. I am seeking the issuance of a warrant to search this parcel, and the contents contained therein, for contraband and evidence of a crime, namely, possession and possession with the intent to distribute controlled substances, and use of the mails to commit a controlled substance felony, in violation of Title 21, United States Code, Sections 841(a)(1), and 843(b).

  
Matt Schmitz  
U.S. Postal Inspector

Subscribed and sworn to before me this 29 day of May, 2013.

  
The Honorable James R. Sickel  
United States Magistrate Judge  
Eastern District of Wisconsin